Rev (1954) Department.

MS SERIES

G.O. No. 579

Dated 15-3-58

[Despatch Abstract.]

TAX : THE MADRAS GENERAL SALES TAX ACT 1959 : SALE OF GOODS BY THE INDIAN COFFEE HOUSES RUN BY THE INDIAN COFFEE MARKET EXPANSION BOARD, BANGALORE : LIABILITY TO TAX : ORDERS PASSED.

Book Papers.

G.O.	No.	Department.	Date.	G.O	No.	Department.	Date.
Ms	628	Rev	10-3-42				
	2389	"	14-9-37				

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.
Ms	1170	Rev.	4-5-42				
Letter	5848	C/W-1 Rev.	27-9-40				

Joint Secretary, Revenue.

(I understand that at present the India Coffee Houses in the Presidency
A (have been exempted from payment of salestax. Please let me know under
(what circumstances such an exemption has been given.

B.G.R./23.1.1948
H.M.(Finance)

REVENUE DEPTT.

India Coffee Houses are run by the Indian Coffee Market Expansion Board, Bangalore. G.O. No. 628 Rev. dated 10-3-1942 in which the sales of coffee by the Indian Coffee Market Expansion Board are exempted is put up at flag A.

2. In G.O (Ms) No. 2389 Rev. dated 14-9-1939 it was ordered that the provisions of the G.S.T. Act should not be applied to the sales effected by the Deptts. of the Govt. of India and by the Deptts. of this Provincial Govt. Please see Legal Deptt.'s note at pp 5-6 of G.O. ibid. The Indian Coffee Market Expansion Board, Bangalore, which has been constituted under a special ordinance of the Govt. of India in order to provide for assistance to the Coffee Industry, was considered as a Deptt. of the Govt. of India and the sales of coffee by the Bd. was exempted from salestax. Please see the Bd.'s reference and the notes on pp 7-10 of A.

3. The orders in G.O. (Ms) No. 2389 Rev. dated 14-9-1939 have since been withdrawn so far as they relate to the sales of goods by the Deptts. of this Provincial Govt. and the Deptts. of this Govt. which sell goods have been directed to add the sales tax equivalent to the price of the goods sold by them- vide G.Os. No. 1968 Rev. dated 30-10-1945. The exemption in respect of the sales by the Deptts. of the Govt. of India could not, however, be withdrawn in view of the provisions of Section 154 of the Govt. of India Act. Please see in this connection an extract of Legal Deptt.'s note put up at flag J.

4. The file may be circulated to H.M.(Fin) with ref. to his minutes at A on p. 1 ante.

P.S.V/2?2/48
Jt.Secy.

A. (Section 154 does not apply. Please issue notice to all the Coffee Houses that they will have to pay salestax as from 1-4-1948. Bd. may be asked to take steps.

They are no more than coffee hotels and restaurants.

B.G.R/6.2.
H.M.(Fin).

The file may be sent to Legal for remarks on A above.

P.S.V/9.2.

LEGAL DEPTT.

Section 154 of the Govt. of India Act exempts from provincial taxation "property vested in His Majesty for purposes of the Government of the Dominion". Property owned by the Coffee Market Expansion Board cannot be said to be property owned by the Dominion Government. The Board is only a statutory body created by Central Act VII of 1942 for better administration of coffee industry. Under section 6 of the Act, all property, moveable or immoveable, vest in the Board, and not in the Central Government. The Board cannot therefore be said to be a Deptt. of the Govt. of India. The status and position of the Bd. are not different from those of local bodies, universities, port tursts, etc., created by statutes. In the case of a port trust, this Deptt. expressed the opinion that property vested in or owned by it is not property vested in His Majesty for the purposes of the Central Government. The same view will apply to this case. Legally therefore, the Coffee Market Expansion Board is not entitled to exemption from salestaxand the view of H.M.(Fin.) is correct.

P.V.B/17.2

REV. DEPTT.

Please see the notes on pp 1-3 above. A draft order is submitted for approval. Finance may see before circulation. (It appears unnecessary to let Board know the reasons mentioned by Legal.)

P.V.S/25.2.1948

FINANCE

Please see the notes and orders in circulation on pp 1-3 above. The draft order below may be perused and the case returned to Rev. u.o.

D.W.D/1.3.1948

REVENUE DEPTT.

Please see the notes on pp 1-3 ante. The draft order below may

V.K.R(a0)3.3.1948
Dy.Secy.

B.G.R/11.3.
H.M.(Fin)

/True copy/

Office Assistant,
Madras Record Office, Egmore

GOVERNMENT OF MADRAS

Abstract

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TAX - Madras General Sales Tax, 1939 - Sale of goods by the Indian Coffee Houses run by the Indian Coffee Market Expansion Board, Bangalore - Liability to tax - Orders passed.

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Revenue Department.

G.O. (Ms) No. 579. Dated, the 15th March 1948.

READ - the following:

G.O. (Ms) No. 628 Rev. dated the 10th March 1942.
Memorandum No. 376-D/44.2 dated the 23rd February 1944.

ORDER:

In supersession of the orders issued in G.O. (Ms) No. 628 Rev. dated the 10th March 1942 and in Memorandum No. 376-D/44.2 dated the 23rd February 1944, the Government direct that all sales of goods by the Indian Coffee Houses in this Province run by the Indian Coffee Market Expansion Board, Bangalore, should be assessed to sales tax with effect on and from the 1st April 1948.

2. The Board of Revenue is requested to issue notices at once to the Coffee Houses in question regarding their liability to tax from the 1st April 1948 and to take steps to assess their transactions to sales tax from ~~the date~~ date.

(By order of His Excellency the Governor)

Sd. V.K. RAO
Deputy Secretary to Government.

To the Board of Revenue.
To the Secretary, Indian Coffee Market Expansion Board, Bangalore.

/True copy/

R. Thiagarajan.
Office Assistant,
Madras Record Office, Egmore.

BMS 17.3.93 15/12